

Reconstruction of Financial Reports in Accordance with EMKM SAK (Case Study on Kopi Dako Julie Sukosari, Bondowoso Regency)

Bahtiar Adi Darmawan ^{*1}
Norita Citra Yuliarti ²
Rendy Mirwan Aspirandi ³

^{1,2,3} Accounting Study Program, Faculty of Economics and Business, University of Muhammadiyah Jember
*e-mail: bahtiardarmawan124@gmail.com¹, norita@unmuhjember.ac.id²,
rendymirwanaspirandi@unmuhjember.ac.id³

Abstract

This study aims to reconstruct the financial statements of the Kopi Dako Julie MSME in Sukosari, Bondowoso Regency to comply with the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) set by the Indonesian Institute of Accountants. The MSME has so far only recorded its finances manually and simply, without preparing formal financial statements such as financial position statements, profit and loss statements, and notes to the financial statements. The research method used is a case study with a qualitative descriptive approach. Primary data were obtained through interviews and direct observation, while secondary data were in the form of MSME financial recording documents. The results of the study indicate that after the reconstruction, the financial statements can be prepared completely in accordance with the SAK EMKM structure. The resulting report provides more accurate and relevant information, including net profit after tax of IDR 23,016,865 from total sales of IDR 331,000,000, with a net profit margin of 6.96%. This study emphasizes the importance of preparing financial statements that comply with standards to improve accountability, access to financing, and managerial decision making in MSMEs.

Keywords: MSMEs, EMKM SAK, financial reports, reconstruction, Kopi Dako Julie.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) have a very important role in the Indonesian economy. In the midst of the economic crisis that once hit Indonesia, MSMEs have proven to be able to survive because they are not too dependent on foreign loans or large capital. According to Law Number 20 of 2008, MSMEs are classified based on assets and annual turnover, and are the sector that absorbs the largest workforce and is a driver of the people's economy. However, MSME financial management is still a challenge, especially in preparing financial reports that comply with applicable accounting standards.

Common problems faced by MSMEs are low accounting literacy and the absence of a clear separation between personal and business finances. This causes financial records to often be done manually, unsystematically, and not in accordance with correct accounting principles. In fact, good financial reports can provide a comprehensive picture of business conditions and support the right decision-making process, as well as being an important basis for accessing financing from financial institutions.

To answer these needs, the Indonesian Institute of Accountants (IAI) issued the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) which came into effect on January 1, 2018. This standard is designed to simplify the financial reporting process for MSMEs while maintaining the relevance and reliability of the information presented. However, in practice, the adoption of SAK EMKM by MSME actors is still low due to a lack of technical understanding and minimal assistance in its implementation.

One example case is the UMKM Kopi Dako Julie, which is engaged in the processing and sale of local coffee products in Sukosari Village, Bondowoso Regency. Although this business has grown and recorded its finances, the preparation of its financial statements is not in accordance with the provisions of the EMKM SAK. Therefore, this study was conducted to reconstruct the financial statements of Kopi Dako Julie to comply with applicable accounting standards, with the

hope of providing more accurate, structured, and useful financial information in managerial decision making and as a reference for access to external financing.

LITERATURE REVIEW

Micro, Small and Medium Enterprises (MSMEs)

MSMEs are productive business units run by individuals or business entities that meet certain criteria as stipulated in Law Number 20 of 2008. These criteria include the amount of net assets and annual turnover. MSMEs have characteristics such as small business scale, limited capital, direct involvement of owners in operations, and local market coverage. The role of MSMEs in the national economy is very significant because they are able to absorb a large number of workers and support economic resilience, especially during times of crisis (Lutfiana et al., 2022).

Financial statements are the final result of the accounting process that presents information about the financial position, performance, and cash flow of an entity during a certain period. For MSMEs, financial statements have an important function as a basis for decision making, performance assessment, and as a requirement for access to financing. However, many MSME actors have not realized these benefits due to limited accounting knowledge and the absence of separation between personal and business finances (Nikmah et al., 2023).

Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM)

SAK EMKM is a standard designed by the Indonesian Institute of Accountants (IAI) for entities that do not have public accountability and meet the criteria of MSMEs. This standard emphasizes the simplification of financial statements with three main components: financial position statements, income statements, and notes to the financial statements (Indonesian Institute of Accountants, 2016). The purpose of SAK EMKM is to make it easier for MSMEs to prepare accurate financial statements that can be used to improve business accountability and credibility in the eyes of stakeholders.

Financial Statement Reconstruction

Financial report reconstruction is the process of re-arranging financial reports to comply with applicable accounting standards. In the context of MSMEs, reconstruction is carried out to change manual or simple recording into formal financial reports in accordance with MSME SAK. This reconstruction includes transaction identification, account classification, depreciation expense calculation, and systematic report presentation (Lestari et al., 2024). This effort aims to improve the quality of financial information presented and strengthen small business governance in an accountable manner.

METHOD

This study uses a qualitative descriptive method with a case study approach conducted at the Kopi Dako Julie UMKM in Sukosari Village, Bondowoso Regency. The purpose of this study is to reconstruct the business financial statements to comply with the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM). The data used consists of primary data obtained through direct interviews with business owners and treasurers, as well as secondary data in the form of financial transaction recording documents and SAK EMKM references. Data collection techniques are carried out through structured interviews, direct observation of recording activities, and documentation studies. Data analysis is carried out through the stages of transaction identification, classification and adjustment based on accounting principles, rearrangement of financial statements including financial position statements, income statements, and notes to financial statements, and interpretation of the reconstruction results to produce accurate, systematic, and standardized financial information.

RESULTS AND DISCUSSION

Based on simple financial report data owned by UMKM Kopi Dako Julie, it was found that financial recording is still done manually in the form of expense and income books. The recording has not followed the accounting structure and standards set out in SAK EMKM. For example, there

is no recognition of fixed assets, depreciation, or income tax expenses. In addition, the report is not yet equipped with notes to the financial statements that function to explain accounting policies and account details.

Through the reconstruction process, researchers grouped transactions into appropriate accounting accounts, then compiled a complete financial report based on the SAK EMKM format. As a result, the financial report consisting of the Financial Position Report, Profit and Loss Report, and Notes to the Financial Statements (CaLK) was successfully created and showed more accurate and relevant financial information. The following is a summary of the reconstructed report:

Table 1 Statement of Financial Position (December 31, 2024)

Asset	Amount (Rp)	Liabilities & Equity	Amount (Rp)
Cash and cash equivalents	5,000,000	Accounts payable	0
Supply	308,200,000	Loan	0
Total Current Assets	313,200,000		
Fixed assets	1,823,650,000		
Accumulated depreciation	(129,416,000)	Total Liabilities	0
Total Fixed Assets	1,687,834,000	Initial capital	1,978,017,861
Total Assets	2,001,034,000	Retain earning	23,016,861
		Total Equity	2,001,034,000

Table 2 Income Statement (December 2024 Period)

Description	Amount (Rp)
Income	331,000,000
Cost of Goods Sold (COGS)	24,927,135
Operating expenses:	
Electricity cost	3,600,000
Transportation costs	17,280,000
Vehicle maintenance costs	3,000,000
Salary expense	108,000,000
	0
Depreciation expense of machine equipment	129,416,000
	0
Depreciation expense of factory buildings	5,000,000
Vehicle depreciation expense	1,400,000
Total Load	267,696,000
Profit before tax	38,376,865
Income Tax (Final 0.5%)	15,360,000
Profit After Tax	23,016,865

Notes to the Financial Statements (Summary)

1. Basis of Preparation: Refers to EMKM SAK with accrual and historical cost basis.
2. Accounting Policy: Depreciation is carried out using the straight-line method, revenue recognition when the goods are delivered.
3. Inventory: Includes ready-to-sell coffee (green beans, roasted, ground).

4. Fixed Assets: Fixed assets are recognized at acquisition cost if their legal ownership is under the entity. The depreciation method used is the straight-line method, assuming no residual value.
5. Equity: Initial capital of Rp6,000,000, current year profit is added to capital.

The reconstruction results show that by following the financial report structure based on SAK EMKM, the information produced becomes more accountable and representative of business conditions. Net profit after tax of Rp23,016,865 shows positive business performance, with a net profit margin of 6.96%. This finding confirms that properly prepared financial reports can be used to assess the financial health of MSMEs and become an important basis for making managerial decisions and accessing external financing.

CONCLUSION

This study concludes that the financial records carried out by the Kopi Dako Julie MSME before the reconstruction were still very simple and not in accordance with accounting standards, especially the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM). This resulted in the financial information produced not reflecting the business conditions comprehensively and accurately. Through the reconstruction process, the financial statements were successfully compiled completely and systematically, including the financial position report, profit and loss report, and notes to the financial statements in accordance with the provisions of SAK EMKM. The results of the reconstruction showed a net profit after tax of IDR 23,016,865 from total sales of IDR 331,000,000, with a net profit margin of 6.96%. This finding confirms that the implementation of SAK EMKM can improve the quality of MSME financial reporting, support more appropriate decision-making, and strengthen accountability and access to financing sources. Therefore, the implementation of SAK EMKM is important to be encouraged more widely among MSMEs, accompanied by adequate accounting assistance and education.

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